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Higher Education Budget Cuts: How are they Affecting Students?

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The public higher education systems have received significant budget cuts in the 2009–10 fiscal year, with the University of California receiving \$813 million less than in 2007–08, California State University receiving \$625 million less, and the community college system receiving \$812 million less.

We know the raw numbers in terms of budget cuts and enrollment reductions, but the overall effect on students has not been quantified. This effort may not be possible for months or years to come. Campuses have been able to offset some of the hardships by dipping into reserves and shifting funding, but this practice cannot continue much longer. It is important to understand the effects of the budget cuts and the need to restore public funding to at least 2007–08 levels to maintain the quality of and access to higher education. Future implications to consider include:

- Access for veterans, students with disabilities, and people from groups historically underrepresented in higher education
- Diversion of students to non-selective private institutions, which typically have higher fees
- Decline in the quality of education
- Decreased transfer rates
- Increased time-to-degree
- Increased levels of student debt
- Diminishing research capacity
- Ability of the systems to recover from funding reductions

University of California

Campuses have the authority to determine how to distribute budget cuts. Strategies include increasing class sizes up to 25% of the total starting enrollment, eliminating programs, reducing library hours, cutting extracurricular activities, cutting support services, and hiring fewer teaching faculty, student assistants and part-time student employees.

UC is reducing enrollment of new in-state freshmen by 4,600 over the next two years. At its November meeting, the Board of Regents voted to increase fees by 15% for spring 2010 and an additional 15% for fall 2010, resulting in a 32% increase overall from current levels.

What is the Fallout? Increased class sizes, faculty furloughs, and cuts in support services will threaten the quality of a UC education and increase the time taken for students to complete their degree when they cannot enroll in the classes or receive the support services they need. Graduate students will have fewer opportunities to work as research and teaching assistants, build professional networks, and prepare for a career.

Cutting on-campus employment opportunities limits the ability of students to supplement their income and limits opportunities to build connections with the campus community.

In addition, UC is concerned with underfunding faculty salaries. This may result in faculty and staff leaving UC for other opportunities. The UC Office of the President has frozen salaries, deferred or canceled bonuses, suspended staff merit awards, furloughed faculty, and restricted hiring, travel, and equipment purchases. Campuses have laid off 1,900 employees, eliminated 3,800 positions and deferred filling 1,600 positions, mostly faculty.

Campuses are enrolling more out-of-state students, who pay higher tuition and fees and will generate additional revenue. UC currently has 6% non-resident undergraduate students, much less than comparable research universities that have 20–25% out-of-state students. UC's out-of-state students are from less diverse backgrounds than California students and UC is concerned that this policy will affect diversity at many campuses.

California State University

CSU plans to address budget cuts by reducing enrollments, furloughing employees, raising student fees, and making a variety of other campus-based cuts. Systemwide enrollments will be reduced by 10%, or 40,000 students, over the next two years to return to a level supported by state funding. Over the past several years, CSU increased enrollments to meet student demand but has not been funded for the increase. The enrollment reduction is an effort to balance funding with enrollment levels. The 2010 winter and spring admission terms will be closed at all campuses for all students, including transfers, unless an exception is granted by the Chancellor.

CSU's freshman application period runs from October 1 to November 30 but campuses can accept applications after the closing date. This year, Fullerton, Long Beach, Northridge, Pomona, San Diego, San Luis Obispo, and San Marcos will not accept applications after the closing date due to the lack of funding and resources. Enrollment reductions coincide with a 50% increase in applications from 2007–08 to 2008–09. Fully-qualified upper-division transfer students remain CSU's top admission priority — constituting 60% or more of new students expected in 2010–11.

CSU will reduce the number of students who have earned more units than required for graduation. The Board of Trustees has authorized campuses to take action to graduate students who have earned more units than required for their degree. These “super seniors” can no longer enroll in classes for units beyond a degree requirement, freeing up space for other students. CSU will be able to use one-time funding of \$25 million to add 4,000 course sections and retain up to 800 lecturers for the 2009–10 winter and spring terms.

Campus Perspective

UC Berkeley — Increasing class sizes and reducing 8% of course offerings. The university predicts that reduced course offerings will increase time-to-degree by 6 months.

Not filling open faculty positions, thus increasing student–faculty ratios.

Cutting graduate student assistants and lecture positions by up to 20% in some departments. This limits educational and professional opportunities for graduate students as well as providing less support to undergraduate classes.

Reducing on-campus work opportunities.

Cutting student services.

Reducing library hours, closing libraries on Sundays, and no 24-hour service during final exams.

What is the Fallout? Reduced course sections may extend time to degree for many students. Currently, 48% first-time freshmen graduate within six years, which may decrease when students are unable to get into courses needed to graduate.

Closing spring admissions may reduce the number of transfer students. Those who are ready to transfer from community college in the spring may have to stay enrolled while waiting for fall admissions to open. This would limit the space available for other students. Students who start a job while waiting for the CSU or UC fall applications term to open are at risk of not returning to college.

CSU enrolled 414,000 new, returning, and transfer students in fall 2009 — 4,600 fewer than in fall 2007. There is still no data to show if enrollment reductions will disproportionately affect students from groups historically underrepresented in higher education.

Cuts in student services have the potential to harm student success. Campuses are reducing career and academic advising, limiting student leadership and development programs, limiting outreach activities, and cutting health and mental health services.

With student service offices reducing hours and staffing to minimum levels, it is unclear how these services will withstand further cuts.

The full effects of the budget cuts will likely be realized by 2011–12 when campuses will have met reduced enrollment targets, almost depleted their funding reserves and potentially laid off a significant number of employees. The outcome will be fewer course offerings and support services, resulting in an increase in time-to-degree. There are concerns that these cuts will disproportionately affect veterans and students with disabilities. Campuses are deferring maintenance, which will also jeopardize their capital infrastructure as well as limit new teaching space.

California Community Colleges

Due to the community colleges' mission of open access, the system is unable to reduce enrollments to reduce costs. Campuses have the discretion to address budget cuts in ways that support the mis-

Enrollment Reductions for 2010–11, Selected CSU Campuses

	Enrollment target	Enrollment goal	Percent change
Bakersfield	6,885	6,472	-6.0%
San Diego	28,298	25,233	-10.8%
Chico	14,712	13,314	-9.5%
East Bay	11,764	10,646	-9.5%
San Francisco	23,416	20,879	-10.8%
San Jose	22,460	20,027	-10.8%
Fullerton	27,190	24,245	-10.8%

CSU Chancellor's Office 2009–10 Enrollment Targets and 2010–11 Planning Goal for full-time students.

Campus Perspectives

San Jose State University — Requiring students who take a remedial course more than once to pay for the course in addition to regular fees.

Advising students to be flexible with class schedules if they can't get the classes they need.

Planning a work week of four 10-hour days, closing buildings one day a week.

San Diego State University — Requiring applicants to declare a major when they apply. Requiring transfer students to have completed all transfer units. Only students from a local community college are guaranteed a spot.

Ending the local admission guarantee to high school students who meet CSU's minimum requirements. Until now, local high school students with a 3.41 GPA were able to apply. GPA for students outside the area was 3.81, consistent with the Trustees' enrollment management policy.

sion of each campus. However, strategies such as cutting course sections will limit the number of students able to enroll. Fees have increased 30%, from \$20 to \$26 a unit.

Federal stimulus funds for fall 2009 will be \$35 million instead of the \$130 million that was expected. These funds were awarded based on the 2008 budget, which did not get cut as deeply as the 2009 budget. This was a recent finding, and the additional negative effects are not yet clear.

Some campuses have been able to use their fiscal reserves to backfill their budgets or use the federal funding rather than lay off staff or cut programs and services, but these reserves may not be available in 2010–11, making the situation worse in coming years. Campuses have cut course offerings by 4% to 20%. Class sections that once enrolled 25 to 35 students have taken on more than 120 students. This has become more common, with classes in all fields serving more students.

What is the Fallout? Cuts of \$313 million, or over 40% to student support services, such as counseling, assessment, and placement, may harm retention and transfer rates. At the same time, there is a growing demand for community college education. Full-time equivalent enrollment has increased 4.3% since fall 2008. This increase in full-time equivalent enrollment may be attributed to the downturn of the economy and people returning to college to obtain new skills, and to decreased enrollments and increased fees at CSU and UC. Enrollment demand is likely to grow and community colleges will require additional funding to maintain the current level of services. If enrollment funding is not restored to a minimum of 2007–08 levels, the system will be unable to sustain enrollment demand under its mission of open access.

Campus Perspective

Fresno City College — Cutting 200 class sections, or 10% of spring 2010 course offerings. Retaining courses that are needed for transfer, certificates, or work training programs.

The college has not laid off full-time faculty this term but is bringing on fewer part-time faculty to reduce personnel costs. The college has an enrollment of 25,000, the largest in the district, and continues to grow each year.

Fresno City College feeds into CSU Fresno, which will cut freshman enrollments by 400 in fall 2010. CSU Fresno will hold spots for local upper-division transfer students who meet admission requirements.

What's Next?

It is clear that budget cuts are adversely affecting students. Students are paying more for less, and campuses are stretching their resources to a length from which they may never recover. Eventually, campuses will no longer be able to shift funds to maintain access and protect the classroom, reducing educational quality, and access for students from lower-income backgrounds.

As the state continues to reduce funding levels, the systems will most likely continue to raise fees in order to cover operating costs. Each system has set aside financial aid funding in an attempt to maintain access for all Californians. Increased fees may discourage lower-income students, regardless of availability of financial aid. More students of high-performing, high-income backgrounds may enroll in private colleges and universities that offer flexible schedules, and fewer students per class.

The budget cuts affect public higher education in all areas, not just student access and affordability. Therefore, it is important to address the issues listed at the beginning of this paper to develop a better understanding of the impacts on students and the higher education systems in California.